

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI") to Transfer Control of MCI's California Utility Subsidiaries to Verizon, Which Will Occur Indirectly as a Result of Verizon's Acquisition of MCI

Application 05-04-020
(Filed April 21, 2005)

**ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE'S RULING
DENYING EXTENSION OF PROTEST PERIOD**

This above captioned application for merger of Verizon Communications Inc. (Verizon) and MCI Inc. (MCI). was tendered with and accepted for filing by the Commission on April 21, 2005. Notice of the application appeared in the Commission's Daily Calendar on April 25, 2005. Pursuant to Rule 44.1 of the Commission's Rules of Practice and Procedure (Rules) protests or responses to applications are due on or before 30 days after such calendar notice.

On April 27, 2005, The Utility Reform Network, on behalf of itself and Utility Consumers' Action Network, Consumers Union of U.S., Inc, Disability Rights Advocates, The Greenlining Institute, Navigator Telecommunications, Inc. and the California Association of Competitive Telecommunications Companies (requesting parties), transmitted a letter to the Commission's Executive Director requesting a day for day extension of the protest period to address perceived uncertainties in the likelihood of this application going forward due to the overtures by Quest Communications to also seek a merger

with MCI. The requesting parties urged that they not be compelled to commit their resources to analyzing this application until Quest Communications had publicly withdrawn from efforts to merge with MCI.

On April 28, 2005, counsel for Verizon California Inc, Verizon's California affiliate, urged that the requested relief not be granted due to the existence of a firm agreement for merger between Verizon and MCI and a contention that the risk of this merger application being undone was speculative. On May 2, 2005, Verizon's counsel wrote a follow-up letter advising of the prior day's news reports that Quest Communications had abandoned its pursuit of a merger with MCI and that the only change that would be forthcoming in this application was an adjustment in the per share purchase price Verizon was committed to paying for MCI. Verizon urged that the relief sought by the requesting parties be denied.

While the requesting parties and Verizon each wrote letters to the Executive Director concerning this extension request, that was procedurally inappropriate. This matter is being addressed in a ruling rather than a letter from the Executive Director since the ability of the Executive Director to alter compliance times is confined to granting relief from dates for compliance with Commission orders or decisions (Rule 48(b)). The Executive Director does not have the authority to address requests to modify compliance under the Commission's Rules. Nonetheless, in the interest of addressing the matter in a timely fashion, this ruling addresses the requesting parties' letter request.

Given the April 25, 2005 Daily Calendar notice publication date, the 30-day protest period will conclude on May 25, 2005. That is still nearly three weeks from today. Given the applicant's representation in the May 3, 2005 letter that the only change that will occur in an impending amendment will be the purchase

price reflected in a price per share figure, it does not appear that this amendment should substantially alter the bases on which a protest might be made. Were the requested relief to be granted, it would extend the protest period of 30 days to approximately June 1, 2005, an extension of approximately one week. Therefore, I am going to deny at this time the request to extend the protest period.

Applicant is urged to make any amendment as soon as possible and, in the event, there are additional substantive changes to the application, further consideration of an extension of the protest period may be considered.

Because no formal service list has yet been established for this proceeding, this ruling shall be served on the applicants, The Utility Reform Network (TURN) and the service list in Application 05-02-027, concerning the SBC/AT&T merger application, since this service list was utilized by TURN and the applicants in their correspondence regarding the protest extension request.

Therefore, **IT IS RULED** that the April 27, 2005 letter request of The Utility Reform Network, on behalf of itself and Utility Consumers' Action Network, Consumers Union of U.S., Inc, Disability Rights Advocates, The Greenlining Institute, Navigator Telecommunications, Inc. and the California Association of Competitive Telecommunications Companies for an extension of the protest period for this application is denied.

Dated May 6, 2005, at San Francisco, California.

/s/ PHILIP SCOTT WEISMEHL
Philip Scott Weismehl,
Assistant Chief
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have this day served the attached Assistant Chief Administrative Law Judge's Ruling Denying Extension of Protest Period on all parties of record in this proceeding as well as to the parties in Application 05-02-027, or their attorneys of record, by U.S. mail and by electronic mail to those who have provided electronic mail addresses.

Dated May 6, 2005, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.